



# 2024

## ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2024

# Contents

The reports and statements set out below comprise the Annual Financial Statements presented to the shareholders:

Directors' Responsibilities and Approval	1
Audit and Risk Committee Report	2
Chief Executive Officer and Chief Financial Officer's Responsibility Statement	7
Company Secretary's Certification	7
Directors' Report	8
Independent Auditor's Report	11
Statement of Financial Position	14
Statement of Profit or Loss and Other Comprehensive Income	15
Statement of Changes in Equity	16
Statement of Cash Flows	17
Accounting Policies	18
Notes to the Annual Financial Statements	21



# Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act, No. 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the Company's Annual Financial Statements and related financial information included in this report. It is their responsibility to ensure that the Company's Annual Financial Statements fairly present the state of affairs of the Company as at the end of the reporting period and the results of its operations and cash flows for the year then ended, in conformity with International Financial Reporting Standards (IFRS). The external auditor is engaged to express an independent opinion on the Company's Annual Financial Statements.

The Company's Annual Financial Statements are prepared in accordance with International Financial Reporting Standards (IFRS) and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the Board of Directors sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Company and all employees are required to maintain the highest ethical standards in ensuring the Company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Company is on identifying, assessing, managing and monitoring all known forms of risk across the Company. The Company endeavours to minimise operating risk by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors of the Company are responsible for the controls over, and the security of the website and, where applicable, for establishing and controlling the process for electronically distributing annual reports and other financial information to shareholders and to the Companies and Intellectual Property Commission.

The directors have reviewed the Company's cash flow forecasts for the period up to 2 September 2025 and, in light of this review and the current financial position, they are satisfied that the Company had access to adequate resources to continue in operational existence for the foreseeable future.

The Company's Annual Financial Statements set out on pages 2 to 33, which have been prepared on the going concern basis under the supervision of the Chief Financial Officer, Mr H Bester CA(SA), were approved by the Board of Directors on 2 September 2024 and were signed on their behalf by:

**Alistair Knock**  
*Chairman*

**Werner de Jager**  
*Chief Executive Officer*

2 September 2024



# Audit and Risk Committee Report

## 1. INTRODUCTION

The Audit and Risk Committee has pleasure in submitting this report, as required by section 94 of the South African Companies Act, No. 71 of 2008, as amended and the JSE Listings Requirements. The Audit and Risk Committee acts for the Company and all its subsidiaries and is accountable to the Board and the shareholders. It operates within a documented terms of reference and complies with all relevant legislation, regulations and governance codes and executes its duties in terms of the requirements of the King Report on Corporate Governance.

The performance of the Audit and Risk Committee is evaluated against its terms of reference on an annual basis and the Committee was deemed to be working satisfactory and effectively during the current year.

The Audit and Risk Committee consists of four independent Non-Executive Directors:

- M Bosman (Mr) (Chairperson)
- M Bosman (Ms)
- Dr DSS Lushaba
- GM Tapon Njamo

## 2. MEETINGS HELD BY THE AUDIT AND RISK COMMITTEE

The Committee held four meetings during the year under review. Attendance has been set out in the Directors' Report.

The internal and external auditors also attended all of the Committee meetings during the year ended 30 June 2024 and reported their activities and findings at these meetings. The Chairperson of the Board, Executive Directors and relevant Senior Managers attended these meetings.

Each Audit and Risk Committee meeting concludes with a confidential meeting between the Committee Members, Non-Executive Directors and the Internal and External auditors, as well as another confidential meeting held with the Chief Executive and Finance Director. The Committee chairperson also meets separately with external and internal auditors between committee meetings.

## 3. FUNCTIONS OF THE COMMITTEE

### Responsibilities and duties

The Audit and Risk Committee fulfils its responsibilities and duties as set out in its terms of reference.

The oversight role of the Audit and Risk Committee includes:

- reviewing the Interim Financial Statements and Annual Financial Statements and Integrated Report and making recommendations to the Board;
- reviewing the external audit reports, after the review of the Interim Financial Statements and audit of Annual Financial Statements;
- assessing the external auditor's independence and performance;
- approving the audit fees in respect of both the interim review and year-end audit;
- specifying guidelines and authorising contract conditions for the award of non-audit services to the external auditors;
- reviewing the internal audit and risk management reports and making recommendations to the Board, where necessary;
- ensuring that a combined assurance model has been applied to provide a coordinated approach to all assurance activities;
- evaluating the appropriateness and effectiveness of risk management, internal controls and the governance processes;
- dealing with concerns relating to accounting practices, internal audit, the audit or content of Annual Financial Statements and internal financial controls; and
- reviewing the solvency and liquidity tests and going-concern statements and recommending proposals to the Board in respect of interim and final dividends.

### External auditor

#### Independence

During the year under review, the Audit and Risk Committee reviewed the independence of the auditor.

Deloitte & Touche (Deloitte) was the Company's external auditor with Mr James Welch as the independent individual registered auditor. The Committee satisfied itself of Deloitte's independence before recommending its re-election to the shareholders with the prior support of the Board.

# Audit and Risk Committee Report (continued)

## 3. FUNCTIONS OF THE COMMITTEE (continued)

### External auditor (continued)

#### Independence (continued)

The independence assessment was made after considering the following:

- confirmation from the external auditor that all their partners, team members, or their immediate family, do not hold any direct or indirect financial interest or have any material business relationship with Cashbuild. The external auditors also confirmed that they have internal monitoring procedures to ensure their independence;
- the auditor does not, other than in their capacity as external auditors for rendering permitted non-audit services, receive any remuneration or other benefits from Cashbuild;
- the auditor's independence was not prejudiced as a result of any previous appointment as auditor. In addition, an audit partner rotation process is in place in accordance with the relevant legal and regulatory requirements;
- the criteria specified for independence by the Independent Regulatory Board for Auditors; and
- Deloitte submitted reports relating to quality assessment reviews undertaken internally and by the Independent Regulatory Board for Auditors and the Public Company Accounting Oversight Board, together with progress on any remedial actions necessary. There are no significant matters to report to the shareholders in this regard.

The appointment of Deloitte as external auditor and Mr James Welch as the independent individual registered auditor of the Company was confirmed by the shareholders at the Annual General Meeting held on 27 November 2023.

#### External audit fees

The Audit and Risk Committee:

- determined, in consultation with management, the interim review and audit fee and engagement terms for the external auditors for the June 2024 financial year;
- reviewed and approved the non-audit services fees for the year under review and ensured that the fees were within limit and in line with the non-audit services policy; and
- determined the nature and extent of allowable non-audit services and approved the contract terms for the provision of non-audit services.

#### External audit performance

The Audit and Risk Committee:

- reviewed and approved the external audit plan, ensuring that material risk areas were included, and that coverage of the significant business processes were acceptable; and
- reviewed the external audit reports and management's response, and considered their effect on the financial statements and internal financial controls.

The Committee confirms that the external auditor has functioned in accordance with the Committee's terms of reference for the year ended 30 June 2024.

#### Key audit matters

No matters were noted for the Company.

#### Financial statements

##### Responsibility

The Committee reviewed the Annual Financial Statements, including the public announcements of the Company's financial results for the year ended 30 June 2024, and made recommendations to the Board for their approval. During its review, the Committee:

- took appropriate steps to ensure that the Annual Financial Statements were prepared in accordance with International Financial Reporting Standards (IFRS);
- considered the appropriateness of accounting policies and disclosures made; and
- completed a detailed review of the going concern assumption, confirming that it was appropriate in the preparation of the Annual Financial Statements.

The Committee was not required to deal with any complaints relating to accounting practices, Internal Audit, the content and audit of the Annual Financial Statements, nor the internal financial controls and related matters.

# Audit and Risk Committee Report (continued)

## 3. FUNCTIONS OF THE COMMITTEE (continued)

### Expertise and experience of Financial Director

As required by JSE Listings Requirement 3.84(h), the Audit and Risk Committee has satisfied itself that the Chief Financial Officer, Mr H Bester, has the appropriate expertise and experience to meet the responsibilities of his appointed position as required by the JSE Listings Requirements.

### Adequacy of finance function

The Audit and Risk Committee has considered and has satisfied itself of the appropriateness of the expertise and adequacy of resources of the finance function and experience of the senior members of management responsible for the financial function.

### Quality of earnings

The reconciliation between attributable earnings and headline earnings is set out in note 29 of the Annual Consolidated Financial Statements.

### Internal controls

#### The Cashbuild Way

Internal controls within Cashbuild are based on established policies and procedures contained in The Cashbuild Way policies and procedures. The Cashbuild Way is aligned with ISO 9001 principles and provides a uniform Company-wide standard regarding the defining, implementation and maintenance of policies, procedures and templates within all Cashbuild support and operational areas. Internal controls as contained in The Cashbuild Way are communicated throughout the Group and form the baseline of training provided to staff members. The Audit and Risk Committee satisfied itself as to the establishment of appropriate financial reporting procedures and that those procedures are operating. This included consideration of all entities included in the Consolidated Group IFRS Financial Statements, to ensure that the Audit and Risk Committee has access to all the financial information of the Group to allow Cashbuild to effectively prepare and report on Company and the Group's Annual Financial Statements.

#### Internal Audit team

The internal audit function within the Cashbuild Group consists of a team of 28 members with three auditors and an internal audit manager dedicated to support-office based audits, and 18 auditors dedicated to the auditing of key processes at stores. Two internal audit managers and two senior internal auditors take responsibility for quality assurance within the internal audit function. A Data Analyst is dedicated on a full-time basis towards supporting the internal audit team with data analytics, automation of audit tests, and embedding continuous auditing within the internal audit service delivery function. An Operations Risk Manager assists the Risk and Audit Executive with monitoring and reporting on Issues Management (e.g. tip-offs, burglaries and robberies, OHSA incidents, etc.). Cashbuild's Risk and Audit Executive reports administratively to the Chief Executive Officer with a functional reporting line to the Chairman of the Audit and Risk Committee. Internal Audit results are reported to the Audit and Risk Committee with emphasis placed on areas of high risk requiring management attention as identified in terms of non-compliance to key controls.

#### Internal Audit approach and methodology

Cashbuild's internal audit approach and methodology is risk-based in that key controls addressing identified business control risks are the focus areas driving Internal Audit service delivery. Cashbuild has a 95% target for compliance to key controls designed to mitigate business risk and diligently monitors achievement of this target through review and follow up of internal audit results. Detailed audit results are shared with store and line management for follow-up and correction.

In terms of the King Report on Corporate Governance, Internal Audit provides a written assessment on the effectiveness of the Group's system of internal control and risk management. This assessment is addressed specifically to the Audit and Risk Committee.

Service delivery by the Group Risk Management department, which includes risk management, issues management and internal audit, aims to achieve the following best practice guidelines during performance of its internal control assessment process:

- identify strategic, sustainability, operational, compliance and financial objectives;
- assess risks that prevent the achievement of these objectives; and
- perform tests and gather evidence relating to the internal controls in place to manage these risks and the adequacy and effectiveness of such internal controls.

# Audit and Risk Committee Report (continued)

## 3. FUNCTIONS OF THE COMMITTEE (continued)

### Internal Audit approach and methodology (continued)

The content of the quarterly Audit and Risk Committee reports are designed in such a way as to provide the necessary information to members of the Audit and Risk Committee to obtain a level of assurance on the Group's system of internal control and risk management. In order to do this, the content of each quarterly Audit and Risk Committee report is aimed at providing the reader with enough information on the following topics:

- the scope of internal auditing activities, which includes the appropriate level and quality of work based on the Group's risks;
- the cycle on which audit plans are based;
- consideration of the control components and limitations of control;
- the status of follow-up activities;
- a discussion of serious problems and solutions; and
- the overall assessment statement for the year.

### Risk management

The Board is responsible for risk governance within the Group. Responsibility for the monitoring thereof has been allocated to the Audit and Risk Committee.

Cashbuild management is responsible for the design, implementation and maintenance of a risk management approach, methodology and systems. Monitoring of the status of risks is the responsibility of management risk owners. Formalised monitoring and updating on the status of risks by the Executive Management team takes place on a quarterly basis during scheduled Group risk management review workshops.

### Integrated Report

The Committee fulfils an oversight role regarding Cashbuild's Integrated Report and the reporting process. Accordingly, it has considered and assessed the consistency with operational, financial and other information known to the Audit and Risk Committee members, as well as the Annual Financial Statements.

## 4. COMBINED ASSURANCE

Cashbuild's combined assurance framework has the objective of aligning assurance processes and assurance service delivery throughout the Group to maximise risk and governance oversight and control efficiencies and optimise overall assurance to the Audit and Risk committee. The Cashbuild Group Combined Assurance Model consists of the following five levels of defence to mitigate risk that the Company is exposed to and in doing so provide an appropriate level of assurance to the Board via the Audit and Risk Committee:

- First line of defence being management oversight and controls (also referred to as People, Systems and Controls). Management-based assurance includes establishing policies and procedures, management oversight, strategy implementation, performance measurement, control self-assessment and continual monitoring mechanisms and systems.
- Second line of defence being risk management and compliance services. These are corporate support functions providing assistance to management with regards to the discharging of their responsibility of managing identified business risks.
- Third line of defence being internal audit providing an independent and objective level of assurance over the controls, risk management and governance activities as provided by the first and second lines of defence.
- Fourth line of defence being external assurance providers providing certifications, regulatory reviews, external audits, forensic investigations, external management reviews, valuations, culture climate surveys (as examples of external assurance service delivery).
- Fifth line of defence being Board and Board sub-committee functions prompting and assessing the level of assurance provided by the first four lines of defence.

The level of assurance provided increases with each line of defence being applied with the least assurance being provided by the first line of defence (internal management oversight) and the highest level of assurance being provided by the fourth line of defence (external objective and independent assurance service provider), and the application of the fifth line of defence providing a final level of governance assurance being oversight by the Board and Board sub-committees on the extent of assurance provided on identified risks.

### Financial statements

The Directors' Report is set out in pages 8 to 10.

# Audit and Risk Committee Report (continued)

## 4. COMBINED ASSURANCE (continued)

### External audit

The Independent Auditor's Report is set out on page 11 to 13.

### Quality

Deloitte submitted reports relating to quality assessment reviews undertaken internally and by the Independent Regulatory Board for Auditors (IRBA) and the Public Company Accounting Oversight Board, together with progress on any remedial actions necessary for the 2024 interim period and year-end.

The Audit and Risk Committee reviewed the following in terms of the Listings Requirements:

- A summary report of the most recent IRBA inspection policy report and decision letter from IRBA, the findings report and a copy of the proposed remedial action plan;
- A summary of the information on the designated auditor, Mr J Welch, the results of which were satisfactory;
- The IRBA letters for the latest reviews of the firm (2022); and
- The Deloitte Commitment to Audit Quality document.

The Audit and Risk Committee concluded that there were no matters of concern raised during the year under review.

### Key audit matters

No matters were noted for the Company.

### Internal audit

Considering all of these factors set out in the Internal control and Risk management paragraphs above, the following assessment statement is presented by Cashbuild's Internal Audit: "Work performed by the Cashbuild Group Risk Management Department during the current reporting period (July 2023 to June 2024) supports the assertion that Cashbuild's system of internal controls and risk management is effective, and that any serious problem and/or concern identified by the Group Risk Management Department during performance of its risk management, issues management and internal audit duties are reported on in the quarterly Audit and Risk Committee Reports".

On behalf of the Audit and Risk Committee

**M Bosman (Mr)**

*Audit and Risk Committee Chairperson*

2 September 2024



# Chief Executive Officer and Chief Financial Officer's Responsibility Statement

In terms of section 3.84(k) of the JSE Listings Requirements, each of the directors, whose names are stated below hereby confirm that:

- the Annual Financial Statements set out on pages 14 to 33, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;
- to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the Annual Financial Statements false or misleading;
- internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer;
- the internal financial controls are adequate and effective and can be relied upon in compiling the financial statements, having fulfilled our role and function as Executive Directors with primary responsibility for implementation and execution of controls;
- where we are not satisfied, we have disclosed to the Audit and Risk Committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls and have taken steps to remedy the deficiencies; and
- we are not aware of any fraud involving directors.

Signed by the Chief Executive Officer and the Chief Financial Officer on behalf of the Board of Directors by:

**Werner de Jager**  
*Chief Executive Officer*

**Hanré Bester**  
*Chief Financial Officer*

2 September 2024

## Company Secretary's Certification

In terms of Section 88(2)(e) of the Companies Act 71 of 2008, as amended, I certify that the Company has lodged with the Companies and Intellectual Property Commission all such returns as are required of a public company in terms of the Companies Act and that all such returns are true, correct and up to date.

**Takalani Nengovhela**  
*Company Secretary*

2 September 2024

# Directors' Report

The directors have pleasure in submitting their report on the Annual Financial Statements of Cashbuild Limited for the year ended 30 June 2024.

## 1. NATURE OF THE BUSINESS

Cashbuild Limited is the ultimate holding company for the Cashbuild Group and primarily receives dividends from its subsidiary companies. The Company operates mainly in South Africa. The Company was listed on the securities exchange of the JSE Limited (JSE) in 1986. There have been no material changes to the nature of the Company's business from the prior year.

## 2. REVIEW OF FINANCIAL RESULTS AND ACTIVITIES

The Annual Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act No. 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the Company are set out in the Annual Financial Statements.

## 3. REPORTING PERIOD

The Company adopts the retail accounting calendar, which comprises the reporting year ending on the last Sunday of the month June 2024: 30 June 2024 (53 weeks); 25 June 2023 (52 weeks). "Year" refers to a 53 week period in the current year.

## 4. SHARE CAPITAL

During the year under review, the Company repurchased 397 787 ordinary shares as part of a general share repurchase, of the shares repurchased, 205 935 were delisted and cancelled. The average share price for the shares repurchased during the year was R143.5. Refer to note 5 for more information.

## 5. DIVIDENDS

The Board has declared a final dividend of (No. 63) of 236.0 cents (June 2023: 332.0 cents) per ordinary share, out of income reserves, excluding the impact of the P&L Hardware Goodwill and Trademark impairment, to all shareholders of Cashbuild Limited. The dividend per share is calculated based on 23 694 712 (June 2023: 23 900 647) shares in issue at the date of the dividend declaration. The net local dividend amount is 188.8 cents per share for shareholders liable to pay Dividends Tax and 236.0 cents per share for shareholders exempt from paying Dividends Tax. The total dividend for the year amounts to 561.0 cents (June 2023: 732.0 cents). Local Dividends Tax is 20%. Cashbuild Limited's tax reference number is 9575168712.

The relevant dates for the declaration are as follows:

Date dividend declared	Wednesday, 4 September 2024
Last day to trade "CUM" the dividend	Monday, 23 September 2024
Date to commence trading "EX" the dividend	Wednesday, 25 September 2024
Record date	Friday, 27 September 2024
Date of payment	Monday, 30 September 2024

Share certificates may not be dematerialised or rematerialised between Wednesday, 25 September 2024 and Friday, 27 September 2024, both dates inclusive.

## Directors' Report (continued)

### 6. DIRECTORATE

The directors in office at the date of this report are as follows:

WF de Jager (53)	Chief Executive Officer, CA(SA)	Executive
H Bester (45)*	Chief Financial Officer, CA(SA), MCom (SA and International Taxation)	Executive
SA Thoresson (61)	Operations Director	Executive
WP van Aswegen (57)	Commercial and Marketing Director, CA(SA)	Executive
M Bosman (Mr) (67)	CA(SA)	Independent Non-Executive
M Bosman (Ms) (53)	CA(SA)	Independent Non-Executive
AGW Knock (73)	Chairman, BSc Eng (Hons); MSc (Engineering); MDP	Independent Non-Executive
Dr DSS Lushaba (58)	BSc Advanced Biochemistry (Hons), MBA, DBA, CD(SA)	Independent Non-Executive
AJ Mokgwatsane (46)	Diploma in Integrated Marketing and Communication; MBA	Independent Non-Executive
GM Tapon Njamo (46)	CA(SA)	Independent Non-Executive

\* Appointed 1 July 2024.

Details of the directors' remuneration are set out under note 17 of the financial statements.

### 7. BOARD COMMITTEES AND ATTENDANCE

Name	Audit and Risk		Remune-	Social	IT	Investment	Nomination
	Board	Committee	ration	and Ethics	Governance		
			Committee	Committee	Committee	Committee	Committee
<b>Non-Executive</b>							
AGW Knock	C – 5/5	I – 4/4	M – 4/4	I – 4/4	M – 5/5	–	C – 3/3
M Bosman (Ms)	M – 5/5	M – 4/4	–	M – 4/4	–	–	–
M Bosman (Mr)	M – 5/5	C – 4/4	–	–	–	C – 3/3	M – 3/3
DSS Lushaba	M – 5/5	M – 4/4	C – 4/4	C – 4/4	–	–	–
AJ Mokgwatsane	M – 5/5	I – 4/4	–	M – 4/4	M – 4/5	–	–
GM Tapon Njamo	M – 5/5	M – 4/4	M – 4/4	–	C – 5/5	M – 3/3	–
<b>Executive</b>							
WF de Jager	M – 5/5	I – 4/4	I – 4/4	M – 4/4	M – 5/5	M – 3/3	I – 3/3
AE Prowse <sup>^</sup>	M – 5/5	I – 4/4	I – 4/4	–	M – 5/5	M – 3/3	–
SA Thoresson	M – 5/5	I – 4/4	–	–	I – 5/5	–	–
WP van Aswegen	M – 5/5	I – 4/4	–	M – 4/4	I – 5/5	–	–

<sup>^</sup> Retired effective 30 June 2024.

#### Legend

C Chairperson of the Board/Committee.

M Member of the Board/Committee.

I Attendance by invitation.

### 8. INTERESTS IN SUBSIDIARIES AND OTHER INVESTMENTS

Details of material interests in subsidiary companies, associates and joint arrangements are presented in the Annual Financial Statements in note 2.

### 9. DIRECTORS' INTERESTS IN CONTRACTS

During the financial period, no contracts were entered into whereby directors or officers of the Company had an interest and which significantly affected the business of the Company.

### 10. EVENTS AFTER THE REPORTING PERIOD

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

## Directors' Report (continued)

### 11. GOING CONCERN

The directors have assessed the cash flow forecast for the period up to 2 September 2025 and conclude that the Company will be able to continue as a going concern. All proposed financing arrangements and capital expenditures are evaluated and monitored to assess the impact on the Company's ability to meet its obligations. Detailed solvency and liquidity analysis are performed when dividends are declared to ensure the capital base of the Company is not adversely impacted.

### 12. AUDITOR

Deloitte & Touche was the auditor for the Company for the year ended 30 June 2024.

### 13. SECRETARY

The Company Secretary is Mr Takalani Nengovhela.

# Independent Auditor's Report

## TO THE SHAREHOLDERS OF CASHBUILD LIMITED

### REPORT ON THE AUDIT OF THE SEPARATE FINANCIAL STATEMENTS

#### Opinion

We have audited the separate financial statements of Cashbuild Limited (the company) set out on pages 14 to 33, which comprise the separate statement of financial position as at 30 June 2024; and the separate statement of profit or loss and other comprehensive income; the separate statement of changes in equity; and the separate statement of cash flows for the year then ended; and notes to the separate financial statements, including material accounting policy information.

In our opinion, the separate financial statements present fairly, in all material respects, the separate financial position of Cashbuild Limited as at 31 June 2024, and its separate financial performance and separate cash flows for the year then ended, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Separate Financial Statements* section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants* (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette No. 49309 dated 15 September 2023 (EAR Rule), we report:

#### Final Materiality

We define materiality as the magnitude of misstatement in the separate financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the nature and extent of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the separate financial statements as a whole as follows:

Materiality	R4.4 million (2023: R10 million).
Basis for determining materiality	<i>A key judgement in determining materiality is the appropriate benchmark to select, based on our perception of the needs of shareholders. We considered which benchmarks and key performance indicators have the greatest bearing on shareholder decisions. Total assets was used as the primary benchmark for determining materiality. Total assets is considered to be a factor on which users are focused, as it provides an indication of the performance of the company. The movement in materiality is mainly driven by the change in benchmark from prior year which was based on revenue. Total assets provides a more stable benchmark on which to base materiality on, as revenue is dependent on dividends declared by the underlying subsidiaries which by its nature is variable.</i>

Based on our professional judgement, we determined materiality to be R4.4 million which approximates 2% of total assets.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the separate financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in respect of the separate financial statements.



# Independent Auditor's Report (continued)

## Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Cashbuild Limited Annual Financial Statements" and in the document titled "Cashbuild Limited Annual Financial Statements for the year ended 30 June 2024", which includes the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate, as required by the Companies Act of South Africa. The other information does not include the consolidated or the separate financial statements and our auditor's reports thereon.

Our opinion on the separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Directors for the Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the separate financial statements, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Independent Auditor's Report (continued)

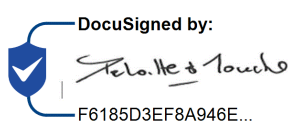
We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

#### Audit Tenure

In terms of the IRBA Rule published in Government Gazette No. 39475 dated 4 December 2015, we report that Deloitte & Touche has been the auditor of Cashbuild Limited for 2 years.



#### Deloitte & Touche

Registered Auditor

Per: James Welch

Partner

2 September 2024

5 Magwa Crescent

Waterfall City

2090

Johannesburg

South Africa

# Statement of Financial Position

as at 30 June 2024

Figures in Rand thousand	Note(s)	Year ended June 2024	Year ended June 2023
<b>Assets</b>			
<b>Non-current assets</b>			
Investments in subsidiaries	2	184 336	169 590
Loan to subsidiary	2	22 734	4 321
		<b>207 070</b>	173 911
<b>Current assets</b>			
Trade and other receivables	3	388	562
Cash and cash equivalents	4	16 931	14 875
Current tax receivable		459	–
		<b>17 778</b>	15 437
<b>Total assets</b>		<b>224 848</b>	189 348
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity attributable to equity holders of parent			
Share capital	5	(248 903)	(257 649)
Reserves		184 336	169 590
Retained income		275 093	264 170
		<b>210 526</b>	176 111
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	7	14 322	13 233
Current tax payable		–	4
		<b>14 322</b>	13 237
<b>Total liabilities</b>		<b>14 322</b>	13 237
<b>Total equity and liabilities</b>		<b>224 848</b>	189 348

The accounting policies on pages 18 to 20 and the notes on pages 21 to 33 form an integral part of the Annual Financial Statements.

# Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2024

Figures in Rand thousand	Note(s)	<b>Year ended June 2024</b>	Year ended June 2023
Revenue	8	<b>175 098</b>	507 873
Administrative expenses	9	<b>(7 199)</b>	(13 642)
<b>Operating profit</b>		<b>167 899</b>	494 231
Finance income	10	<b>70</b>	14
<b>Profit before taxation</b>		<b>167 969</b>	494 245
Taxation	11	<b>(19)</b>	(4)
<b>Profit for the year</b>		<b>167 950</b>	494 241

The accounting policies on pages 18 to 20 and the notes on pages 21 to 33 form an integral part of the Annual Financial Statements.

# Statement of Changes in Equity

for the year ended 30 June 2024

	Share capital	Share premium	Total share capital	Share-based payments reserve	Total reserves	Retained income/(loss)	Total equity
Figures in Rand thousand							
<b>Balance at 26 June 2022</b>	250	1 024	1 274	146 856	146 856	39 069	187 199
Total comprehensive income for the year	–	–	–	–	–	494 241	494 241
Share-based payments expense	–	–	–	22 734	22 734	–	22 734
Shares repurchased	(2)	(46 512)	(46 514)	–	–	–	(46 514)
Shares repurchased and cancelled	(11)	(212 398)	(212 409)	–	–	–	(212 409)
Dividends	–	–	–	–	–	(269 140)	(269 140)
<b>Balance at 25 June 2023</b>	237	(257 886)	(257 649)	169 590	169 590	264 170	176 111
Total comprehensive income for the year	–	–	–	–	–	167 950	167 950
Share-based payments expense	–	–	–	14 746	14 746	–	14 746
Shares repurchased	(2)	(27 145)	(27 147)	–	–	–	(27 147)
Shares repurchased and cancelled	(2)	(30 711)	(30 713)	–	–	–	(30 713)
Shares sold to Cashbuild (South Africa) (Pty) Ltd	4	66 602	66 607	–	–	–	66 607
Dividends	–	–	–	–	–	(157 027)	(157 027)
<b>Balance at 30 June 2024</b>	<b>237</b>	<b>(249 140)</b>	<b>(248 903)</b>	<b>184 336</b>	<b>184 336</b>	<b>275 093</b>	<b>210 526</b>
Note(s)	5	5	5	6			



# Statement of Cash Flows

for the year ended 30 June 2024

Figures in Rand thousand	Note(s)	Year ended June 2024	Year ended June 2023
<b>Cash flows from operating activities</b>			
Cash generated from operations	12	705	3 989
Finance income received		70	–
Dividends received		1 281	715
<b>Net cash generated from operating activities</b>		<b>2 056</b>	4 704
<b>Cash flows from investing activities</b>			
Loan advanced to Group companies		–	102
<b>Net cash utilised in investing activities</b>		<b>–</b>	102
<b>Total cash and cash equivalents movement for the year</b>			
Cash and cash equivalents at the beginning of the year		14 875	10 069
<b>Total cash and cash equivalents at the end of the year</b>		<b>16 931</b>	14 875

# Accounting Policies

## CORPORATE INFORMATION

Cashbuild Limited is a public company incorporated and domiciled in South Africa.

### 1. MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these Annual Financial Statements are set out below.

#### 1.1 Basis of preparation

The Annual Financial Statements have been prepared on the going concern basis in accordance with, and in compliance with, IFRS<sup>®</sup> Accounting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), applicable to companies reporting under IFRS and International Financial Reporting Interpretations Committee (IFRIC) interpretations issued and effective at the time of preparing the Annual Financial Statements and the Companies Act No. 71 of 2008 of South Africa, as amended.

The Annual Financial Statements comply with the requirements of the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

The Annual Financial Statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Rand, which is the Company's functional currency.

These accounting policies are consistent with the previous period.

#### 1.2 Financial instruments

Financial instruments held by the Company are classified in accordance with the provisions of IFRS 9: *Financial Instruments*.

##### Classification

The Company classifies financial assets and financial liabilities into the following categories:

- Financial assets measured at amortised cost
- Financial liabilities measured at amortised cost

##### Financial assets at amortised cost

The Company's financial assets at amortised cost category comprise trade and other receivables, cash and cash equivalents as well as loan to subsidiary.

Trade receivables are amounts receivable in respect of unclaimed dividends due to the Company. Trade receivables have been classified at amortised cost as their contractual terms give rise, on specified dates to cash flows that are solely payments of the principal and interest and the Company's business model is to collect the contractual cash flows on trade and other receivables. Collection is expected in one year or less and therefore, the trade receivables have been classified as current assets.

Loan to subsidiary are financial assets classified at amortised cost, and relate to funding provided to the subsidiary.

Loans to subsidiary have been classified at amortised cost as their contractual terms give rise, on specified dates to cash flows that are solely payments of the principal and interest and the Company's business model is to collect the contractual cash flows on trade and other receivables.

Cash and cash equivalents are financial assets classified at amortised cost, as their contractual terms give rise, on specified dates to cash flows that are solely payments of the principal and interest and the Company's business model is to collect the contractual cash flows on trade and other receivables.

##### Financial liabilities measured at amortised cost

Trade and other payables are financial liabilities measured at amortised cost. This represents unclaimed dividends that are payable to shareholders and are short-term in nature.

# Accounting Policies (continued)

## 1. MATERIAL ACCOUNTING POLICIES (continued)

### 1.2 Financial instruments (continued)

#### Recognition and measurement

##### Financial assets at amortised cost

Trade receivables are recognised initially at fair value. The Company has made use of the practical expedient where the Company presumes that a trade receivable does not have a significant financing component as the expected term is less than one year. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore, measures them subsequently at amortised cost using the effective interest method.

Loan to subsidiary is initially recognised at fair value. Subsequently, loan to subsidiary are measured at amortised cost.

Cash and cash equivalents are measured initially at fair value.

##### Financial liabilities measured at amortised cost

Trade and other payables are initially measured at fair value plus transaction costs, if any, and are subsequently measured at amortised cost, using the effective interest rate method.

##### Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Financial liabilities are derecognised when obligations to deliver cash have been met.

##### Impairment of financial assets

The Company considers financial assets for impairment. Due to the nature of these assets, being unclaimed dividends payable to the Company from the JSE, the risk of impairment is regarded as minimal and no provisions have been raised in this regard.

##### Cash and cash equivalents

Cash and cash equivalents include deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

These amounts are readily convertible to known amounts of cash and which are subject to insignificant changes in value.

### 1.3 Share capital and equity

Ordinary shares are classified as equity. Where the Company purchases its own share capital, the consideration paid including attributable transaction costs (net of income taxes), is deducted from equity attributable to the Company's equity holders as treasury shares until they are cancelled, re-issued or sold. Where such shares are subsequently sold or re-issued, any consideration received net of directly attributable incremental transaction costs and related income tax effects is included in shareholders' funds.

# Accounting Policies (continued)

## 1. MATERIAL ACCOUNTING POLICIES (continued)

### 1.4 Tax

#### **Current tax assets and liabilities**

Current tax for current and prior years are, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities/(assets) for the current and prior periods are measured at the amount expected to be paid to/(recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

#### **Tax expenses**

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, in other comprehensive income; or
- a business combination.

Current tax and deferred taxes are charged or credited in other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, in other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

### 1.5 Share-based plans and related payments

The Company operates a number of equity-settled, share-based compensation plans:

#### **Cashbuild Forfeitable Share Scheme (FSP)**

Shares are offered under a forfeitable share award scheme to Executive Directors and selected management. The scheme has a vesting period of three years. The impact is recognised directly in the investment in subsidiaries, with a corresponding adjustment to equity.

The fair value determined at the award date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions. The fair value at award date is determined as the share price at award date.

#### **Cashbuild Operations Management Member Trust (OMT)**

Share incentives under this operational managers scheme entitles qualifying store management members to receive a bonus that is split in equal proportion between cash and shares. The cash portion will be received immediately and the share portion will vest at the end of a three-year period, or such earlier dates as provided in the Trust Deed. The OMT is accounted for as an increase in investments.

### 1.6 Revenue

Revenue (dividends) are recognised, in profit or loss, when the Company's right to receive payment has been established.

# Notes to the Annual Financial Statements

for the year ended 30 June 2024

## 2. INVESTMENTS IN SUBSIDIARIES AND RELATED TRANSACTIONS

The following trusts were created for the purpose of facilitating employee benefit schemes:

- Cashbuild Empowerment Trust
- Cashbuild Store Operations Management Member Trust

The above trusts are controlled by the Company in accordance with IFRS 10: Consolidated Financial Statements. Refer to note 6 for further details.

The Give-a-Brick trust was established for corporate social initiatives.

The above trusts are consolidated by the Group.

The following table lists the entities which are controlled by the Company, either directly or indirectly through subsidiaries. Cashbuild Limited is the direct shareholder of Cashbuild (Management Services) (Pty) Ltd.

	Issued share capital June 2024	Issued share capital June 2023	Nature of business	% holding June 2024	% holding June 2023
Cashbuild (Botswana) (Pty) Ltd	P1 500 000	P1 500 000	A	100	100
Cashbuild (Lesotho) (Pty) Ltd	M100 000	M100 000	A	80	80
Cashbuild (Lilongwe) Ltd	MWK100 000	MWK100 000	A	51	51
Cashbuild (Namibia) (Pty) Ltd	N\$1	N\$1	A	100	100
Cashbuild (South Africa) (Pty) Ltd	R54 000	R54 000	A	100	100
Cashbuild (Swaziland) (Pty) Ltd	E500	E500	A	100	100
P&L Hardware (Pty) Ltd	R101	R101	A	100	100
Cashbuild (Zambia) Ltd	ZMK10 000	ZMK2	B	100	100
Oldco PandL (Pty) Ltd	R100	R100	D	100	100
P&L Boerebenodighede Investments (Pty) Ltd	R1 000	R1 000	D	100	100
Rio Ridge 1027 (Pty) Ltd	R100	R100	D	100	100
Cashbuild (Management Services) (Pty) Ltd	R1	R1	C	100	100

A – Trading company

B – Dormant company

C – Holding company of subsidiaries

D – Deregistration in process

	Year ended June 2024	Year ended June 2023
Figures in Rand thousand		
Share-based payment capital contribution	184 336	169 590
Loan to subsidiary	22 734	4 321
	<b>207 070</b>	<b>173 911</b>

The loan advanced to Cashbuild (Management Services) is recoverable as Cashbuild (Management Services) is a wholly owned subsidiary of Cashbuild (Limited). The loan account is unsecured, non-interest-bearing with no fixed repayment terms. The Company does not have the intention of requesting payment for the loan within the next 12 months. If Cashbuild (Management Services) does not have sufficient liquid assets to repay the loan, Cashbuild (Management Services) would utilise some of the dividends received from the subsidiary trading entities to repay the loan before declaring dividends to Cashbuild (Limited). The net liquid assets of Cashbuild (Management Services) exceeds the loan by more than eight times the value of the loan. The expected credit loss and credit exposure is therefore immaterial. Movements in the loan account are non-cash and relate to the share buy-back, share transfer to Cashbuild (South Africa) (Pty) Ltd, dividends and expenses incurred on behalf of Cashbuild Limited.

### Credit risk of loans to subsidiaries

The loans to subsidiaries relate to loans within the Cashbuild Group. Due to the low credit risk, Cashbuild assumes no increase in credit risk on these instruments occurred during the financial year. There are also no factors noted which raises concern about the recoverability of the loans.



# Notes to the Annual Financial Statements (continued)

for the year ended 30 June 2024

## 3. TRADE AND OTHER RECEIVABLES

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
<b>Financial instruments:</b>		
Other receivables	388	562
<b>Total financial instruments</b>	<b>388</b>	<b>562</b>
<b>Total trade and other receivables</b>	<b>388</b>	<b>562</b>

### Credit risk of other receivables

Other receivables relate to funds held by the JSE for unclaimed dividends. The funds are retained by the JSE for a set period of time, after which any unclaimed portions are refunded to Cashbuild. The risk of impairment on these instruments are considered to be immaterial.

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
<b>4. CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents consist of:		
Bank balances	16 931	14 875
	<b>16 931</b>	<b>14 875</b>

## 5. SHARE CAPITAL

### Authorised

35 000 000 ordinary shares of 1 cent each

350                      350

There has been no change in the authorised share capital in the current or previous reporting period.

### Reconciliation of shares issued:

Total shares issued

237                      239

Treasury shares held

–                              (2)

**Total share capital**

**237                      237**

### Movement reconciliation of number of shares issued:

Opening balance

237                      250

Shares repurchased and cancelled

(2)                              (11)

Treasury shares held

2                                      (2)

**Total share capital**

**237                      237**

The total number of shares in issue as at 30 June 2024 is 23 694 712 (June 2023: 23 900 647). The total number of treasury shares held as at 30 June 2024 is nil (June 2023: 250 000). The average share price for the shares repurchased during the year was R143.5.

# Notes to the Annual Financial Statements (continued)

for the year ended 30 June 2024

## 5. SHARE CAPITAL (continued)

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
<b>Share premium</b>		
Opening balance	(257 886)	1 024
Shares repurchased and cancelled	(30 711)	(212 398)
Shares repurchased	(27 145)	(46 512)
Shares sold to Cashbuild (South Africa) (Pty) Ltd	66 602	–
<b>Total share premium</b>	<b>(249 140)</b>	<b>(257 886)</b>
<b>Consisting of:</b>		
Share premium	(249 140)	(211 374)
Treasury share premium	–	(46 512)
<b>Total share premium</b>	<b>(249 140)</b>	<b>(257 886)</b>
<b>Total share capital and premium</b>	<b>(248 903)</b>	<b>(257 649)</b>

## 6. SHARE-BASED PAYMENTS

### Forfeitable Share Plan

Cashbuild adopted and implemented a share incentive plan in the 2017 financial year being the Cashbuild Limited Forfeitable Share Plan (FSP) for Executive Directors and senior management. Under the FSP, participants will become holders of ordinary shares after meeting the performance conditions and retention period, and will immediately benefit from dividends and have shareholder voting rights in respect of the shares over the vesting period. The shares cannot be disposed of by the participants prior to the vesting date as they are subjected to forfeiture restrictions until the vesting date.

The fair value determined at the award date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions. The fair value at award date is determined as the share price at award date.

The number of performance shares awarded to a participant is based on the participant's current year's annual salary and grade.

Details of the active and vested share awards under this scheme are as follows:

Figures in Rand thousand	Number of shares	
	Year ended June 2024	Year ended June 2023
Opening balance	982 358	764 845
Share movement*	331 768	217 513
<b>Total performance shares awarded</b>	<b>1 314 126</b>	<b>982 358</b>

\* Share movements relates to shares that were granted and forfeited on active share schemes during the financial year.

# Notes to the Annual Financial Statements (continued)

for the year ended 30 June 2024

## 6. SHARE-BASED PAYMENTS (continued)

Details of the active share awards under this scheme are as follows:

	Weighted average price per share on date of the grant	Number of shares
	Year ended June 2024	Year ended June 2024
Figures in Rand thousand		
Opening balance	223.6	584 272
Shares granted during the year	143.6	334 243
Shares vested during the year	219.4	(53 187)
Shares forfeited during the year	216.7	(133 222)
<b>Total performance shares awarded</b>	<b>188.2</b>	<b>732 106</b>

	6th Award	7th Award	8th Award
<b>Share awards</b>			
Issue date	4 Oct 2021	3 Oct 2022	2 Oct 2023
Vesting date	4 Oct 2024	3 Oct 2025	2 Oct 2026
Exercise price	Nil	Nil	Nil
Expected option lifetime	3 years	3 years	3 years
Share price at grant date	255.77	201.18	143.63

Vesting conditions consist of Group performance conditions (refer to detail below) and a retention condition that the employees remain in the employment of the Group up to vesting date.

	Applicable to Award 6		Applicable to Awards 7 and 8	
	Threshold	Target	Threshold	Target
<b>Performance conditions:</b>				
EPS	CPI +2% p.a. (i.e. 2% real growth p.a.)	CPI +10% p.a. (i.e. 10% real growth p.a.)	CPI p.a.	CPI +5% p.a. (i.e. 5% real growth p.a.)
Relative TSR	Median of INDI 25	Upper quartile of INDI 25	Median of own peer group	Upper quartile of own peer group
ROCE	CB WACC	CB WACC +10% p.a.	CB WACC	CB WACC +5% p.a.

# Notes to the Annual Financial Statements (continued)

for the year ended 30 June 2024

## 6. SHARE-BASED PAYMENTS (continued)

	Number of shares as at 30 June 2024 <sup>^</sup>	Award face value R'000 <sup>*</sup>
<b>Executive directors:</b>		
WF de Jager	116 513	21 632
AE Prowse <sup>~</sup>	70 939	13 080
SA Thoresson	60 490	11 224
WP van Aswegen	60 103	11 125
	<b>308 045</b>	<b>57 061</b>
<b>Key management:</b>		
W Dreyer	28 603	5 352
A Hattingh	37 974	7 318
DS Masala	27 577	5 160
I McKay	27 325	5 113
T Myburgh	23 410	4 381
	<b>144 889</b>	<b>27 324</b>

<sup>^</sup> These shares are subject to forfeiture restrictions.

<sup>\*</sup> Face value of awards calculated as a percentage (65% to 90%) of total annual cost to company, before adjusting for any probability of vesting or attrition.

<sup>~</sup> Retired as at 30 June 2024.

### Operations Management Member Trust Schemes

The operational managers scheme considers all stores that generate an operating margin in excess of 10%. The profit share amount is determined with reference to a specified hurdle rate that takes into account the prior year operating margin of the qualifying store. The calculated profit share is split equally between a cash bonus and an amount utilised for the purchase of Cashbuild Limited shares. The cash bonus is recognised as an expense in the year in which the store qualifies. The attributable equity portion is treated as an equity-settled share-based payment expense and recognised equally over the four-year period which is linked to employment. At the end of the period (third anniversary of the date of distribution) the shares will vest to the employees.

The first to ninth schemes (2012 to 2020 schemes respectively) have fully vested. The tenth 2021 scheme qualified for 83 403 shares, the eleventh 2022 scheme qualified for 4 798, the twelfth 2023 scheme qualified for 4 067 shares and the thirteenth scheme provisionally qualified for 3 128 shares.

### Summary of share-based payments for all schemes

The Company's expense and related movement in the share-based payment reserve is R14.7 million (June 2023: R22.7 million).

The movement in the share-based payments reserve for the various share schemes can be summarised as follows:

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
<b>Share-based payments reserve:</b>		
Opening balance	169 590	146 856
– Forfeitable Share Scheme: 4th award	–	1 803
– Forfeitable Share Scheme: 5th award	1 966	7 097
– Forfeitable Share Scheme: 6th award	417	3 864
– Forfeitable Share Scheme: 7th award	3 492	5 821
– Forfeitable Share Scheme: 8th award	4 087	–
– Operations Management Member Trust Schemes	4 784	4 149
	<b>184 336</b>	<b>169 590</b>

# Notes to the Annual Financial Statements (continued)

for the year ended 30 June 2024

	Year ended June 2024	Year ended June 2023
Figures in Rand thousand		
<b>7. TRADE AND OTHER PAYABLES</b>		
<b>Financial instruments:</b>		
Unclaimed dividends	14 322	13 233
	<b>14 322</b>	<b>13 233</b>
<b>8. REVENUE</b>		
<b>Revenue</b>		
Dividends received	175 098	507 873
	<b>175 098</b>	<b>507 873</b>
<b>9. OPERATING PROFIT</b>		
Operating profit for the year includes the following significant items:		
<b>Expenses by nature:</b>		
Write-off of intercompany loan	–	6 932
Directors' fees	5 533	4 708
Other administrative expenses	1 666	2 002
	<b>7 199</b>	<b>13 642</b>
<b>Classified on Statement of Profit or Loss and Other Comprehensive Income as:</b>		
Administrative expenses	<b>(7 199)</b>	<b>(13 642)</b>
	<b>(7 199)</b>	<b>(13 642)</b>
<b>10. FINANCE INCOME</b>		
<b>Interest income</b>		
Earned on bank balances	70	14
	<b>70</b>	<b>14</b>
<b>11. TAX EXPENSE</b>		
<b>Major components of the tax expense:</b>		
<b>Normal taxation</b>		
Current	19	4
	<b>19</b>	<b>4</b>
<b>Reconciliation of effective tax rate:</b>		
Applicable tax rate	<b>27.00%</b>	27.00%
(Exempt)/non-taxable income	<b>(26.99%)</b>	(27.00%)
	<b>0.01%</b>	0.00%



# Notes to the Annual Financial Statements (continued)

for the year ended 30 June 2024

## 12. CASH GENERATED FROM OPERATIONS

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
Profit before taxation	167 969	494 245
<b>Adjustments for:</b>		
Dividends received	(175 098)	(507 873)
Finance income	(70)	(14)
Write-off of intercompany loan	–	6 932
Expenses paid through loan with subsidiary	7 199	6 710
<b>Changes in working capital:</b>		
Decrease in trade and other receivables	174	3 124
Increase in trade and other payables	531	865
	<b>705</b>	<b>3 989</b>

## 13. TAXATION PAID

Balance at the beginning of the year	(4)	–
Current taxation for the year recognised in profit or loss	(19)	(4)
Payments made by Cashbuild (South Africa) (Pty) Ltd	482	–
Balance at the end of the year	(459)	4
	–	–

## 14. DIVIDENDS PAID

Final dividend – prior period (Div. 59)	–	(169 181)
Interim dividend – prior period (Div. 60)	–	(99 959)
Final dividend – prior period (Div. 61)	(79 350)	–
Interim dividend – current period (Div. 62)	(77 677)	–
	<b>(157 027)</b>	<b>(269 140)</b>

Dividends are paid out of income reserves.

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
<b>15. RELATED PARTIES</b>		
<b>Relationships</b>		
<i>Subsidiary company</i>		
Cashbuild (Management Services) (Pty) Ltd		
<b>Loan accounts – Owing by related parties</b>		
– Cashbuild Management Services Proprietary Limited	22 560	4 147
– The Cashbuild Empowerment Trust	174	174
<b>Related party transactions</b>		
Dividends received		
– Cashbuild Management Services Proprietary Limited	174 373	506 600

# Notes to the Annual Financial Statements (continued)

for the year ended 30 June 2024

## 16. RISK MANAGEMENT

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
<b>Financial risk management</b>		
<b>Categories of financial instruments</b>		
<b>Financial assets at amortised cost</b>		
Trade and other receivables	388	562
Cash and cash equivalents	16 931	14 875
Loan to subsidiary	22 734	4 321
<b>Total</b>	<b>40 053</b>	19 758
<b>Financial liabilities at amortised cost</b>		
Trade and other payables	14 322	13 233
<b>Total</b>	<b>14 322</b>	13 233

### Overview

This note presents information about the Company's exposure to each of its applicable financial risks: liquidity risk, foreign exchange risk, credit risk, and interest rate risk. The information below contains the Company's objectives, policies, and processes for managing the risk, the methods used to measure the risk, and the Company's capital management. Further quantitative disclosures are included throughout the Annual Financial Statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. Through its training and management standards and procedures, the Company aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit and Risk Committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit and Risk Committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit and Risk Committee.

The Company's objective when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the Company's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

The Company monitors capital using a gearing ratio. The ratio is calculated as debt (interest-bearing borrowings and trade and other payables) divided by capital. Total capital is calculated as the sum of "equity" and "debt" as shown in the Statement of Financial Position.

# Notes to the Annual Financial Statements (continued)

for the year ended 30 June 2024

## 16. RISK MANAGEMENT (continued)

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The capital structure and gearing ratio of the Company at the reporting date was as follows:

	Year ended June 2024	Year ended June 2023
Trade and other payables	14 322	13 233
<b>Debt</b>	<b>14 322</b>	13 233
Equity	210 526	176 111
<b>Total capital</b>	<b>224 848</b>	189 344
Gearing ratio	0.06	0.07

### Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables. Potential concentrations of credit risk consist mainly of cash and cash equivalents and trade and other receivables.

Exposure to credit risk mainly relates to cash equivalents and trade and other receivables. The Company only deposits cash with major banks and limits exposure to any one counterparty.

Funds are only invested with authorised financial service providers. Cash balances deposited with these financial institutions are kept to an operational minimum and are transferred, subject to exchange control regulations and available suitable foreign currency, to financial institutions with acceptable credit ratings. The Company has policies that limit the amount of credit exposure to any one financial institution.

Trade and other receivables are not insured. The carrying amount of all financial assets represents the maximum exposure to credit risk. The carrying amount is equivalent to fair value for trade and other receivables, cash and cash equivalents and trade and other payables. A credit policy has been established where each new credit customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms are offered.

### Credit quality of cash at bank, excluding cash on hand

The credit quality of cash at bank and short-term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates:

	External credit rating	Year ended June 2024	Year ended June 2023
<b>Internal credit rating as at 30 June 2024</b>			
Moderate	B	16 931	14 875
Total cash held at financial institutions		16 931	14 875

The internal credit rating represents Cashbuild's view on the credit risk ascribed to the financial institutions at which cash resources are held. Below investment-grade institutions are viewed as moderate credit risk, but are still within acceptable limits. Fitch Ratings agency is used to determine the credit risk ratings of the financial institutions.

# Notes to the Annual Financial Statements (continued)

for the year ended 30 June 2024

## 16. RISK MANAGEMENT (continued)

### Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages liquidity risk through the compilation and monitoring of cash flow forecasts, as well as ensuring that adequate borrowing facilities are maintained.

The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

Non-derivative financial liabilities	More than 30 days but less than 1 year					Total
	30 days or less	1 to 2 years	2 to 5 years	Over 5 years		
<b>June 2024</b>						
Trade liabilities	(34)	(14 288)	–	–	(14 322)	
<b>June 2023</b>						
Trade liabilities	–	(13 233)	–	–	(13 233)	

Trade liabilities mainly relate to unclaimed dividends (no prescription applicable). Once a claim for a previously unclaimed dividends is received, the claim will go through a validation and approval process. Therefore, although these dividends can be claimed at any point in time, there will be a period between the date of the claim and the date of the payment, hence the classification of more than 30 days but less than 1 year. During the current financial year, 1 claim was received and settled within 30 days after year-end (2023: none).

We expect that trade liabilities will be settled by cash resources and changes in working capital. At reporting date, the Company held cash of R16.9 million (June 2023: R14.9 million), which is expected to readily generate cash inflows to manage any liquidity risk.

### Foreign currency risk

The Company is not exposed to significant foreign currency risk.

### Interest rate risk

As the Company is operating with a low gearing ratio, interest rate risk on borrowings is minimised. Surplus funds are invested in call and other notice accounts in order to maximise interest potential. The Company is exposed to interest rate risk that relates to bank borrowings and deposits.

### Price risk

The Company is not exposed to significant commodity price risk.

# Notes to the Annual Financial Statements (continued)

for the year ended 30 June 2024

## 17. DIRECTORS', KEY STAFF AND PRESCRIBED OFFICER'S EMOLUMENTS

### Executive

Figures in Rand thousand	Basic salary	Expenses and travel allowance	Medical benefits	Company pension scheme contributions	Bonus~	Shares vesting value	Total
<b>June 2024</b>							
WF de Jager	7 586	142	388	717	3 073	1 186	13 092
AE Prowse*	4 948	142	–	376	1 524	674	7 664
SA Thoresson	4 106	223	–	359	799	612	6 099
WP van Aswegen	4 012	208	–	374	799	516	5 909
	<b>20 652</b>	<b>715</b>	<b>388</b>	<b>1 826</b>	<b>6 195</b>	<b>2 988</b>	<b>32 764</b>

~ Bonus accrued for the current year.

\* Retired 30 June 2024.

Figures in Rand thousand	Basic salary	Expenses and travel allowance	Medical benefits	Company pension scheme contributions	Bonus~	Shares vesting value	Total
<b>June 2023</b>							
WF de Jager	7 068	113	250	658	745	2 282	11 116
AE Prowse	4 476	136	–	341	296	1 422	6 671
SA Thoresson	3 740	193	–	330	269	1 293	5 825
WP van Aswegen	3 652	186	–	342	261	1 090	5 531
	<b>18 936</b>	<b>628</b>	<b>250</b>	<b>1 671</b>	<b>1 571</b>	<b>6 087</b>	<b>29 143</b>

~ Bonus accrued for the prior year and paid in the current year.

### Share schemes granted to directors

Refer to note 6 for details of share incentive schemes of which directors are beneficiaries at year-end.

### Non-Executive

Figures in Rand thousand	Directors' fees	
	Year ended June 2024	Year ended June 2023
M Bosman (Mr)	963	782
M Bosman (Ms)	745	658
AGW Knock	1 287	992
Dr DSS Lushaba	1 013	972
AJ Mokgwatsane	603	526
GM Tapon Njamo	922	778
	<b>5 533</b>	<b>4 708</b>

# Notes to the Annual Financial Statements (continued)

for the year ended 30 June 2024

## 17. DIRECTORS', KEY STAFF AND PRESCRIBED OFFICER'S EMOLUMENTS (continued)

Prescribed Officers and key staff are paid by the subsidiary company Cashbuild (South Africa) Proprietary Limited.

Figures in Rand thousand	Basic salary	Expenses and travel allowance	Medical benefits	Company pension scheme contributions	Bonus <sup>~</sup>	Shares vesting value	Total
<b>June 2024</b>							
W Dreyer	2 191	159	–	232	281	314	3 177
A Hattingh	3 267	372	–	298	437	530	4 904
DS Masala*	2 299	120	157	242	345	303	3 466
I Mckay	2 478	174	94	217	319	300	3 582
T Myburgh	1 842	592	211	183	251	59	3 138
M Scholes	2 276	237	–	208	277	59	3 057
	<b>14 353</b>	<b>1 654</b>	<b>462</b>	<b>1 380</b>	<b>1 910</b>	<b>1 565</b>	<b>21 324</b>

\* DS Masala stopped being a prescribed officer with effect from 17 October 2023. The directors have not nominated a prescribed officer into office for the remainder of the financial year.

~ Bonus accrued for the current year.

Figures in Rand thousand	Basic salary	Expenses and travel allowance	Medical benefits	Company pension scheme contributions	Bonus <sup>+</sup>	Shares vesting value	Total
<b>June 2023</b>							
W Dreyer	2 358	131	–	236	164	662	3 551
A Hattingh	3 047	80	–	278	233	1 119	4 757
DS Masala*	2 122	123	160	226	184	639	3 454
I Mckay	2 232	217	87	196	156	633	3 521
T Myburgh	1 728	359	177	170	134	113	2 681
H Roos	2 088	151	–	214	141	569	3 163
M Scholes	2 006	162	–	185	134	114	2 601
	<b>15 581</b>	<b>1 223</b>	<b>424</b>	<b>1 505</b>	<b>1 146</b>	<b>3 849</b>	<b>23 728</b>

\* Prescribed Officer.

+ Paid in the current financial year.

## 18. EVENTS AFTER THE REPORTING PERIOD

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

# Notes to the Annual Financial Statements (continued)

for the year ended 30 June 2024

## 19. NEW STANDARDS AND INTERPRETATIONS

Standards and interpretations effective, not yet effective or relevant

	Effective date: Years beginning on or after	Expected date of implementation	Expected impact:
<b>Standard/Interpretation:</b> <b>Effective for year-end 30 June 2024</b>			
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – Accounting Estimates: Clarification on how companies should distinguish changes in accounting policies from changes in accounting estimates	1 January 2023	1 July 2023	Did not impact results or disclosures
IAS 12 Income Taxes – The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases by clarifying when the exemption from recognising deferred tax would apply to the initial recognition of such items	1 January 2023	1 July 2023	Did not impact results or disclosures
IFRS 17 Insurance contracts – One accounting model for all insurance contracts in all jurisdictions that apply IFRS	1 January 2023	1 July 2023	Did not impact results or disclosures
<b>Issued but not yet effective for year end 30 June 2024</b>			
IFRS 16 Leases – Amendment on requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction	1 January 2024	1 July 2024	Not expected to impact results or disclosures
IAS 1 Presentation of Financial Statements – current and non-current liability classification and material accounting policies disclosure	1 January 2024	1 July 2024	Not expected to impact results or disclosures
IAS 7 and IFRS 7 – Supplier finance – These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk	1 January 2024	1 July 2024	Not expected to impact results or disclosures
IAS 21 Lack of Exchangeability – guidance on exchange rate to be used on measurement date for translation of non-exchangeable foreign exchange transaction and balances	1 January 2025	1 July 2025	Not expected to impact results or disclosures
IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments – clarification regarding timing of recognition and derecognition of financial assets and liabilities, solely payments of principal and interest (SPPI) criterion, disclosure updates, etc.	1 January 2026	1 July 2026	Not expected to impact results or disclosures
IFRS 18 Presentation and Disclosure in Financial Statements – This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss	1 January 2027	1 July 2027	Expected to impact the structure and disclosure of the Statement of Profit or Loss
IFRS 19 Subsidiaries without Public Accountability: Disclosures – An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19	1 January 2027	1 July 2027	Expected to impact the disclosure by subsidiaries in their stand-alone financial statements



# Corporate Information

**Registration number**

1986/001503/06

**Share code**

CSB

**ISIN**

ZAE000028320

**Registered office**

2 Handel Road, Ormonde, Johannesburg, 2001

**Postal address**

PO Box 90115, Bertsham, 2013

**Telephone number**

+27 (0)11 248 1500

**Facsimile**

+27 (0) 86 666 3291

**Website**

[www.cashbuild.co.za](http://www.cashbuild.co.za)

**Company Secretary**

T Nengovhela

**Sponsor**

Nedbank Corporate and Investment Banking, a division of  
Nedbank Limited

(Registration number 1966/010630/06)

135 Rivonia Road, Sandown, 2196

(PO Box 1144, Johannesburg, 2000)

**Any queries regarding this Integrated Report or its contents should be addressed to:**

Belinda Rabé

Group Financial Manager

E-mail: [brabe@cashbuild.co.za](mailto:brabe@cashbuild.co.za)

**Auditors**

Deloitte & Touche

5 Magwa Crescent, Waterfall City, Waterfall, Gauteng, 2090  
(Private Bag X6, Gallo Manor, 2052)

**Transfer Secretaries**

JSE Investor Services (Pty) Ltd

(Registration number 2000/007239/07)

One Exchange Square, Gwen Lane, Sandown, Sandton,  
2196

(PO Box 4844, Johannesburg, 2000)

**Investor Relations**

Keyter Rech Investor Solutions CC

(Registration number 2008/156985/23)

299 Pendoring Road, Blackheath, Randburg, 2195

(PO Box 653078, Benmore, 2010)

**Transactional Bankers**

Nedcor Bank, a division of Nedbank Limited

The Standard Bank of South Africa Limited

First National Bank, a division of FirstRand Limited

**Any queries regarding Cashbuild's Investor Relations should be addressed to:**

Marlize Keyter

Investor Relations Consultant

Keyter Rech Investor Solutions CC

E-mail: [mkeyter@kris.co.za](mailto:mkeyter@kris.co.za)

Tel: +27 83 701 2021

